

NOTICE OF REGULAR MEETING

ALTUS MUNICIPAL AUTHORITY

DATE	TIME	PLACE
MARCH 1, 2016	6:30 PM	COUNCIL CHAMBERS

AGENDA

Invocation

Pledge of Allegiance

1. Call to Order
2. Roll Call
3. Recognize the Altus High School Swim Team as the Back-to-Back Oklahoma Class 5-A State Champions
4. Fire Chief Pinning Ceremony
5. Consider the Consent Agenda listed below and vote to approve the minutes, or approve with any changes as noted.
 - a. Minutes Approval
 1. Altus Municipal Authority - Regular Meeting - Feb 16, 2016 6:30 PM
 - b. Receive and Acknowledge Receipt of Claims List
 - c. Budget Amendment in the Amount of \$317,000 to Complete the Water Treatment Plant Project.
6. Consider, Discuss and Vote to Approve Resolution No. 2016-___ Authorizing OMPA Filing of Applications with the Federal Regulatory Commission (FERC) on Behalf of the Altus Municipal Authority, a Member City of OMPA for Waivers Under PURPA (Public Utility Regulatory Policies Act of 1978) or Take Any Other Appropriate Action.
7. Renewal of Annual Contract with Evoqua Water Technologies for Supply of 25% Sodium Chlorite Solution and Continued Use Equipment and Quarterly Maintenance
8. Review, discuss and possible action on other new business, if any, which has arisen since the posting of the agenda and which could not have been reasonably foreseen prior to posting of the agenda. (25 O.S.A. Section 3 -111 (9))
9. Adjourn

The City of Altus encourages participation from all of its citizens. If participation at any public meeting is not possible due to a disability, notification to the Mayor's office at least 48 hours prior to the scheduled meeting is encouraged to make the necessary accommodations. The City may waive the 48 hour rule if signing is not the necessary accommodation. Call 481-2202 to make the necessary arrangements. We will accommodate you anytime and in every way possible. Just call and let us know your needs.

To be completed by person filing notice:

NAME:	<u>Debbie Davis</u>
TITLE:	<u>City Clerk</u>
ADDRESS:	<u>509 S. Main</u>
	<u>Altus, OK 73521</u>
PHONE:	<u>(580) 481-2216</u>

Filed in the office of the City Clerk/Treasurer at _____ a.m./p.m. on _____.

Signed: _____
Clerk/Deputy Clerk

**ALTUS MUNICIPAL AUTHORITY MEETING
MINUTES
FEBRUARY 16, 2016**

Invocation - Arlis Moon- First Assembly of God

Pledge of Allegiance

1. CALL TO ORDER

The Altus Municipal Authority of the City of Altus, Jackson County met in regular session, Tuesday February 16, 2016 at 6:30 p.m. in the Council Chambers of City Hall. Notice of the meeting was duly filed and posted in the office of the City Clerk, February 12, 2016 at 1:52 p.m.

Chairman Jack Smiley called the meeting to order.

2. ROLL CALL

Members Present: Chris Riffle, Rick Henry, Doyle Jencks, Kevin McAuliffe, Jason Winters, Jon Kidwell, Perry Shelton, Dwayne Martin, Jack Smiley.

Absent: None

Others Present: Larry Shelton, Catherine Coke, Matt Wojnowski, Jan Neufeld, Johnny Barron, Debbie Davis, Tim Murphy, Linda Walker, Sharon Sutton, Ken Pike, Mike Villareal, Barbara Burleson, Janice Berryhill, Freddy Perez, Kyle Davis, Tracy Sullivan, Keith Marple, Grant Kincannon, CenterPoint Energy families, Keith Marple and other public.

3. CONSENT AGENDA

**A. APPROVE MINUTES FOR THE ALTUS MUNICIPAL AUTHORITY
REGULAR MEETING ON FEBRUARY 2, 2016.**

B. RECEIVE AND ACKNOWLEDGE RECEIPT OF CLAIMS LIST

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jon Kidwell, Councilman
SECONDER:	Kevin McAuliffe, Councilman
AYES:	Henry, Shelton, Martin, Jencks, Winters, Kidwell, McAuliffe, Riffle, Smiley

4. RECEIVE FINANCIAL REPORTS (CITY AND AMA) FOR THE MONTH OF JANUARY 2016 AND AN UPDATE ON ELECTRIC RATES FROM THE CHIEF FINANCIAL OFFICER

Jan Neufeld, CFO, gave the financial report for the month of January, 2016. She discussed the Electric Rates and the hand out of the Electric Comparison from July 2014 - Jan of 2015 and July 2015 - Jan 2016. The last section of the report covered the Sales Tax.

Minutes Acceptance: Minutes of Feb 16, 2016 6:30 PM (Minutes Approval)

5. REVIEW, DISCUSS AND POSSIBLE ACTION ON OTHER NEW BUSINESS, IF ANY, WHICH HAS ARISEN SINCE THE POSTING OF THE AGENDA AND WHICH COULD NOT HAVE BEEN REASONABLY FORESEEN PRIOR TO POSTING OF THE AGENDA. (25 O.S.A. SECTION 3 -111 (9))

None

6. ADJOURN 6:56 P.M.

Jack Smiley, Chairman

Debbie Davis, Secretary

Minutes Acceptance: Minutes of Feb 16, 2016 6:30 PM (Minutes Approval)

Date: March 1, 2016

AGENDA ITEM COMMENTARY

ITEM TITLE: Receive and Acknowledge Receipt of Claims List

INITIATOR: Cindy Young, Purchasing Tech

STAFF INFORMATION SOURCE: Cindy Young, Purchasing Tech

STAFF RECOMMENDATION: Stated AMA Action



City of

ALTUS

Altus, OKLAHOMA 73521 - (580) 477-1950

A PROUD HERITAGE

A PROMISING FUTURE TO SHARE!

MAYOR
JACK SMILEYACTING CITY MANAGER
LARRY SHELTON

COUNCIL
 Doyle Jencks
 Rick Henry
 Chris Riffle
 Jason Winters
 Perry Shelton
 Kevin McAuliffe
 Dwayne Martin
 Jon Kidwell

February 24, 2016

To the Honorable Chairman & Trustees of the Altus Municipal Authority
 City of Altus, Oklahoma

I hereby certify that the amount of this encumbrance has been entered against the designated appropriation accounts and that this encumbrance is within the authorized available balance of said appropriation.

Dated this 24th day of February, 2016

Jan Neufeld

Chief Financial Officer

State of OklahomaCounty of Jackson

On this 24th day of February, 2016 before me
 personally appeared Jan Neufeld, to me known to be the
 person described in and who executed the foregoing instrument.

Donita BeersMy Commission Expires: 8-20-2018

FUND: 53 - ENTERPRISE FUND (53)

SUMMARY REPORT

5.b.a

P.O.#	VENDOR #	NAME	SUMMARY DESCRIPTION	DATE	INVOICE	AMOUNT
DEPARTMENT: 16 PW-W/S MAINT						
16-1657	01-04110	DITCH WITCH OF OKLAHOMA,	DBSKID MOUNTED VAC	1/2016	0160284	17,887.00
DEPARTMENT TOTAL:						17,887.00
DEPARTMENT: 19 PW-SANITATION						
16-2068	01-01430	AMSCO STEEL PRODUCTS CO.,	IBottoms & rails	2/2016	20472	2,108.00
16-2078	01-041498	M & B CONTRACTING, LP	ALLEY CLEANUP	2/2016	10031	14,350.00
DEPARTMENT TOTAL:						16,458.00
DEPARTMENT: 21 PW-WATER TREATMENT						
16-1164	01-042124	PETZOLD BUILDING, INC.	WELL HOUSE	1/2016	2411	24,075.00
16-1757	01-042646	CASEY, CHARLES	Concrete Slabs for Wells	2/2016	834735	6,142.86
16-2027	01-043166	REYES ELECTRIC, L.L.C.	TROUBLESHOOT CONTROLLER	2/2016	201602114045	325.00
16-1942	01-044670	CIRCA, INC.	Annual Contract for PLC	1/2016	INV-20329	2,100.00
16-2089	01-16130	PUBLIC SERVICE COMPANY OF	OMT. PARK ELECTRICITY	2/2016	201602114035	4,869.38
16-1930	01-20271	UTILITY SUPPLY OF AMERICA,	FIRE HOSE	1/2016	856226	808.99
DEPARTMENT TOTAL:						38,321.23
DEPARTMENT: 22 PW-ELECTRIC						
16-2064	01-041154	OMPA	WIND TAGS	2/2016	201602114052	1,765.00
16-2065	01-041154	OMPA	WIND TAGS	2/2016	201602114053	320.04
16-2093	01-12080	LEE OFFICE EQUIPMENT, INC.	FEBRUARY RENTAL	2/2016	14775	100.00
DEPARTMENT TOTAL:						2,185.04
DEPARTMENT: 25 ENTERPRISE SERVICES						
16-2106	01-041301	BANK OF OKLAHOMA	SERIES 2015 NOTE	2/2016	201602114043	55,810.42
16-2084	01-042443	BANK OF OKLAHOMA	BOND TRUSTEE FUND	2/2016	5090181	2,500.00
16-2051	01-044341	ASAP ENERGY INC.	7500 GALLONS DIESEL	2/2016	2372562	8,178.22
16-1449	01-045118	CIVICPLUS	CITY WEBSITE	1/2016	157728	14,424.30
DEPARTMENT TOTAL:						80,912.94

Attachment: AMA CLAIMS LIST MARCH 1, 2016 (1187 : Claims List)

FUND: 53 - ENTERPRISE FUND (53)

SUMMARY REPORT

5.b.a

P.O.#	VENDOR #	NAME	SUMMARY DESCRIPTION	DATE	INVOICE	AMOUNT
DEPARTMENT: 26 PW-WASTEWATER						
16-1640	01-01008	ACCURATE LABS & TRAINING	CEJANUARY 2016 TESTING	1/2016	6A05003	365.00
16-1640	01-01008	ACCURATE LABS & TRAINING	CEJANUARY 2016 TESTING	2/2016	6A26010	60.00
16-1269	01-043166	REYES ELECTRIC, L.L.C.	REPAIR LIGHTS AT SHOP	2/2016	201602114036	1,540.00
16-1545	01-043166	REYES ELECTRIC, L.L.C.	WIRING BLOCK HEATER	2/2016	201602114037	2,690.00
16-2054	01-044426	DAVID T. HARDGRAVE, LLC	PRE-TREATMENT COORDINATOR	2/2016	3-1601	3,000.00
16-0916	01-044683	SAGE ENVIROMENTAL CONSULTIN	BIO MONITORING	11/2015	1634-1-1-08	1,100.00
16-1962	01-11020	KAY ELECTRIC, DBA	4 FLEX SHEEVES	1/2016	083199	57.20
16-2092	01-19380	SOUTHWEST RURAL ELECTRIC	ASJANUARY ELECTRIC	2/2016	3394	51.61
DEPARTMENT TOTAL:						8,863.81
DEPARTMENT: 28 PW-UTILITY SERV						
16-2104	01-01300	ALTUS POST OFFICE	DEPOSIT PERMIT #15	2/2016	201602114042	4,000.00
16-2023	01-041154	OMPA	ADVERTISEMENT	2/2016	201602114048	950.00
16-2105	01-042534	PITNEY BOWES (RESERVE ACCOUP	POSTAGE	2/2016	201602114041	2,000.00
DEPARTMENT TOTAL:						6,950.00
DEPARTMENT: 35 ENGINEERING						
16-1997	01-01310	ALTUS PRINTING CO., INC.	CARD STOCK	2/2016	40682	56.25
DEPARTMENT TOTAL:						56.25
DEPARTMENT: 36 PW-LANDFILL						
16-1777	01-01581	ATWOODS	HYD OIL	1/2016	001504/B	524.75
16-2099	01-043550	NAPA AUTO PARTS	BARREL OF ANTIFREEZE	2/2016	22011	459.00
16-1927	01-06143	FOX BLDG. SUPPLY	T-POSTS AND WIRE	1/2016	33205769	593.36
DEPARTMENT TOTAL:						1,577.11
FUND TOTAL:						173,211.38

Attachment: AMA CLAIMS LIST MARCH 1, 2016 (1187 : Claims List)

FUND: 55 - MAPS SALES TAX FUND (55)

SUMMARY REPORT

5.b.a

P.O.#	VENDOR #	NAME	SUMMARY DESCRIPTION	DATE	INVOICE	AMOUNT
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DEPARTMENT: 40 SALES TAX

16-2106	01-041301	BANK OF OKLAHOMA	SERIES 2015 NOTE	2/2016	201602114043	265,488.00
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DEPARTMENT TOTAL: 265,488.00

FUND TOTAL: 265,488.00

GRAND TOTAL: 483,952.95

Attachment: AMA CLAIMS LIST MARCH 1, 2016 (1187 : Claims List)

FUND: 53 - ENTERPRISE FUND (53)

SUMMARY REPORT

5.b.a

P.O.#	VENDOR #	NAME	SUMMARY DESCRIPTION	DATE	INVOICE	AMOUNT
DEPARTMENT: 16 PW-W/S MAINT						
16-1712	01-044185	HD WATERWORKS SUPPLY	HIP BOOTS	2/2016	E969250	540.00
16-2163	01-15169	OTT	BORE	2/2016	3651	1,500.00
16-1656	01-20271	UTILITY SUPPLY OF AMERICA,	SEWER CAMERA	1/2016	851292	8,775.22
DEPARTMENT TOTAL:						10,815.22
DEPARTMENT: 19 PW-SANITATION						
16-2097	01-01430	AMSCO STEEL PRODUCTS CO.,	IHook metal	2/2016	20572	240.00
16-2155	01-01490	CENTERPOINT ENERGY RESOURCEN	NATURAL GAS	2/2016	201602184084	410.31
16-2135	01-01581	ATWOODS	Hydraulic fluid & water	2/2016	1539/11	211.86
16-2069	01-044978	J AND G TWO-WAY	Batteries for radios	2/2016	201602184090	260.00
16-2134	01-06143	FOX BLDG. SUPPLY	Container paint & supplie	2/2016	33206392	138.44
DEPARTMENT TOTAL:						1,260.61
DEPARTMENT: 21 PW-WATER TREATMENT						
16-2028	01-01008	ACCURATE LABS & TRAINING CEF	FEBRUARY ANALYSIS	2/2016	6B02013	140.00
16-2155	01-01490	CENTERPOINT ENERGY RESOURCEN	NATURAL GAS	2/2016	201602184084	196.81
16-2179	01-041301	BANK OF OKLAHOMA	MT. PARK PAYMNET	2/2016	201602184091	75,942.00
16-1806	01-042842	MIKE MCFALL	WATER ANALYSIS	1/2016	9610	400.00
16-1717	01-042862	HALL'S FEED LOT & ELEVATOR	CLEARWELL HATCH COVER	1/2016	006038	990.00
16-1941	01-043878	A-ONE RENTAL	PUMP RENTAL	2/2016	112349	2,298.00
16-1926	01-044302	GE ANALYTICAL INSTRUMENTS I	CARTRIDGES	1/2016	98089947	724.30
16-2175	01-044956	SPEARS LAND PARTNERS	WATER PURCHASES	2/2016	201602184093	10,000.00
16-1807	01-06054	FEDEX	SAMPLE SHIPPING	2/2016	5-316-65927-1	163.61
DEPARTMENT TOTAL:						90,854.72
DEPARTMENT: 22 PW-ELECTRIC						
16-2037	01-01495	ARKANSAS ELECTRIC COOP, INC	POLELINE HARDWARE	2/2016	03823065	714.40
16-1848	01-04110	DITCH WITCH OF OKLAHOMA, D	B EQUIPMENT	1/2016	016024	524.63
16-1645	01-044117	CESI	GLOVE & SLEEVE TESTING	12/2015	31537	566.51
16-1847	01-044117	CESI	LINE HOSE TESTING	2/2016	31547	4,565.34
16-2167	01-044334	SCOTT CALLOWAY	BOOT REINBURSEMENT	2/2016	201602184094	92.50
16-2019	01-044571	TEXAS ELECTRIC COOP	POLELINE HARDWARE	2/2016	INV00568207	132.50
16-2058	01-044978	J AND G TWO-WAY	RADIO HARDWARE	2/2016	201602184089	426.00
16-2018	01-045022	UNIFIRST CORPORATION	LAUNDRY RENTAL	2/2016	8331603884	168.55
16-2107	01-15064	OKLA MUNICIPAL POWER AUTH	JANUARY 2016 POWER BILL	2/2016	201602184088	1,033,233.25
16-2173	01-15169	OTT	BORING	2/2016	3645	13,140.00
16-2038	01-23180	WILMES SUPERSTORE, INC.	TURBO & EXHAUST #503	2/2016	39845	1,783.73
DEPARTMENT TOTAL:						1,055,347.41

Attachment: AMA CLAIMS LIST MARCH 1, 2016 (1187 : Claims List)

FUND: 53 - ENTERPRISE FUND (53)

SUMMARY REPORT

5.b.a

P.O.#	VENDOR #	NAME	SUMMARY DESCRIPTION	DATE	INVOICE	AMOUNT
DEPARTMENT: 26 PW-WASTEWATER						
16-1970	01-06054	FEDEX	SHIPPING OF SAMPLES	2/2016	5-316-65927	826.16
16-2178	01-15172	THE OKLA DEPT. OF COMMERCE	CDBG LOAN	2/2016	201602184092	967.43
16-1961	01-20271	UTILITY SUPPLY OF AMERICA,	PH METER RETURN SHIPPING	1/2016	811261	25.21
DEPARTMENT TOTAL:						1,818.80
DEPARTMENT: 28 PW-UTILITY SERV						
16-2160	01-042075	PITNEY BOWES	RED INK	2/2016	980077	169.99
16-2009	01-044073	COAST TO COAST, INC	Thermial paper for JACK	2/2016	A1443738	104.00
16-2136	01-044896	ADCOMP SYSTEMS / TELEASY	KIOSK	2/2016	14129	1,007.94
DEPARTMENT TOTAL:						1,281.93
DEPARTMENT: 36 PW-LANDFILL						
16-2154	01-04052	WARREN POWER & MACHINERY,	IUSED SCRAPER	2/2016	50440201	166,180.00
DEPARTMENT TOTAL:						166,180.00
FUND TOTAL:						1,327,558.69
GRAND TOTAL:						1,398,798.70

Attachment: AMA CLAIMS LIST MARCH 1, 2016 (1187 : Claims List)

Date: March 1, 2016

AGENDA ITEM COMMENTARY

ITEM TITLE: Budget Amendment in the Amount of \$317,000 to Complete the Water Treatment Plant Project.

INITIATOR: Elizabeth Smith

STAFF INFORMATION SOURCE: Jan Neufeld

STAFF RECOMMENDATION: Stated AMA Action

**Altus Municipal Authority
Budget Amendment FY 2015-2016
Enterprise Fund**

Estimated Revenue or Fund Balance

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
54	4-40-9900	Fund Balance	Use of Fund Balance	\$ 3,726,715.00	317,000.00	\$ 4,043,715.00
			Water Treatment Plant Fund			-
						-
			Total		\$ 317,000.00	

Appropriations

Fund Number	Account Number	Department	Description	Balance Before Amendment	Amount of Amendment Increase (Decrease)	Balance After Amendment
54	5-40-5400.100	Water Treatment Plant	Plant Project	\$ 95,300.83	317,000.00	\$ 412,300.83
						-
						-
						-
						-
						-
						-
						-
			Total		\$ 317,000.00	

Approved by the Municipal Authority this
1st Day of March 2016

Approved:

Chairman

Attest:

Secretary

Explanation of Budget Amendment:

This amendment transfers fund balance amounts and appropriates them
to be used to complete this project.

(The previous budget amendment only appropriated the construction contract)

Posted By _____ Date _____ BA# _____ Pkt.# _____

Attachment: BA 53 03-01 water trmt (1191 : Budget Amendment for \$317,000 for Water Treatment Plant Project)

Date: March 1, 2016

AGENDA ITEM COMMENTARY

ITEM TITLE: Consider, Discuss and Vote to Approve Resolution No. 2016-____ Authorizing OMPA Filing of Applications with the Federal Regulatory Commission (FERC) on Behalf of the Altus Municipal Authority, a Member City of OMPA for Waivers Under PURPA (Public Utility Regulatory Policies Act of 1978) or Take Any Other Appropriate Action.

INITIATOR: Oklahoma Municipal Power Authority (OMPA)

STAFF INFORMATION SOURCE: City Attorney

BACKGROUND: This is a companion agenda item to City Resolution No. 2016-05 approved at the last City Council meeting, which authorized OMPA to file applications with FERC on behalf of the City for waivers under PURPA. The City of Altus is a Member City of OMPA and the Power Sales Contract with OMPA is in the name of the Altus Municipal Authority, on behalf of the City. It is necessary that the AMA pass a similar OMPA resolution to authorize OMPA to file applications with the FERC for waivers under PURPA. By approving Resolution No. 2016-____ the Altus Municipal Authority authorizes OMPA to make an FERC PURPA filing on behalf of the AMA in accordance with OMPA's Joint PURPA Implementation Plan.

Staff recommends passage of this companion agenda item.

FUNDING: N/A

EXHIBITS: 1) AMA Resolution No. 2016-____; and 2) OMPA's Joint PURPA Implementation Plan.

AUTHORITY ACTION: Vote to Approve Resolution No. 2016-____ Authorizing OMPA Filing of Applications with the Federal Regulatory Commission (FERC) on Behalf of the Altus Municipal Authority, a Member City of OMPA for Waivers Under PURPA (Public Utility Regulatory Policies Act of 1978) or Take Any Other Appropriate Action.

STAFF RECOMMENDATION: Stated AMA Action

OKLAHOMA MUNICIPAL POWER AUTHORITY

JOINT PURPA IMPLEMENTATION PLAN

I. Overview of Plan

This Joint PURPA Implementation Plan (“Plan”) sets forth the manner in which Oklahoma Municipal Power Authority (“OMPA”) and its authorizing member municipal cities (“authorizing Members”¹) plan to implement the requirements imposed upon them under Section 210 of the Public Utility Regulatory Policies Act of 1978, as amended (“PURPA”) and the rules adopted by the Federal Energy Regulatory Commission (“FERC”) thereunder.

OMPA has drafted these rules to develop and coordinate implementation of a plan for meeting the obligations imposed on OMPA and the authorizing Members under Section 210 of PURPA and FERC’s Regulations thereunder. Before these rules go into effect with regard to any Member, a Member must adopt these rules through written authorization. Appendix I to this Plan is a list of the authorizing Members. This list will be updated to include additional authorizing Members as necessary.

OMPA and the authorizing Members are electric utilities subject to the purchase and sale obligations under PURPA. OMPA is a governmental agency of the State of Oklahoma and a body politic and corporate created pursuant to the Oklahoma Municipal Power Authority Act of 1981 and authorized by statute to jointly plan, finance, own and operate electric power supply facilities. OMPA was created with the purpose of providing adequate, reliable and economic sources of electric power and energy to Oklahoma municipalities and public trusts

¹ For purposes of this Plan, the term “authorized Members” may encompass certain municipal electric utilities that are located outside of Oklahoma and that purchase requirements capacity and energy service from OMPA. While these municipal electric systems are not official OMPA members, they may by submitting written authorization be included as “authorized Members.”

operating municipal electric systems. OMPA acts as a wholesale power supplier to 41 municipalities in the State of Oklahoma, two cities in Arkansas, and (as of January 1, 2016) one city in Texas. OMPA meets its power-supply obligations to its participants using generation owned by OMPA, contractual entitlements to generating capacity operated by some of its participants, and through various power purchase agreements.

The Plan reflects the policy of OMPA and the authorizing Members that will be jointly implemented to provide a program to facilitate cogeneration and small power production. The Plan is intended to advise the public of the basic approach and general guidelines for allowing QFs to interconnect with the electric utility systems of OMPA and the authorizing Members, to sell electric energy and capacity to OMPA, and to purchase retail electric service from the authorizing Members.

Under the Plan,

- OMPA will purchase all energy and capacity offered by QFs to OMPA or any of the authorizing Members (except with respect to QFs of greater than 20 MW as to which FERC grants OMPA waiver of its purchase obligation),
- Because 11 OKLA. STAT. §24-107(w)(i), prohibits OMPA from providing retail electric service, the authorizing Members will sell, at retail, all energy and capacity required by QFs located in their retail service territories.
- If a QF seeks to interconnect with OMPA-owned transmission facilities that are not located within the retail service territory of an authorizing Member, upon request OMPA will assist the QF in locating a supplier of supplemental, backup, maintenance, and interruptible power.

OMPA will offer a standard purchase rate or a negotiated rate for energy and capacity (if avoided) produced by QFs interconnected with OMPA or an authorizing Member. This

standard purchase rate will be determined by OMPA based on its “avoided cost,” *i.e.*, the costs to OMPA of the electric energy that OMPA would otherwise generate or purchase from another source if not purchased from the QF. The rate and methodology will be reviewed periodically, and will be subject to revision based on future changes to various factors, which may include OMPA’s delivered cost of fuel, plant generation characteristics, capacity needs, cost of purchased power, transmission costs, operating experience with QFs, OMPA’s (or SPP’s) ability to dispatch to the QF, the expected or demonstrated reliability of the QF, the terms of any legally enforceable obligation, the extent to which the QF’s scheduled outages can be usefully coordinated with those of OMPA, the usefulness of the QF’s energy and capacity during system emergencies and the QF’s ability to separate its load from its generation, the individual and aggregate value of energy and capacity from QFs, the smaller capacity increments and shorter lead times available with additions of capacity from QFs. OMPA reserves the right to analyze each QF’s cost impact and adjust rate provisions to reflect power supply characteristics.

Upon request by a QF located within an authorizing Member’s retail service territory, the Member shall offer supplemental, back-up, and maintenance power on a firm or interruptible basis. The authorizing Members will sell energy and capacity to QFs located within their retail service territories under their applicable retail tariffs or at rates equal to the rates to the authorizing Members’ other customers with similar load and other cost-related characteristics. Each authorizing Member has undertaken to sell energy and capacity at rates that are nondiscriminatory, just and reasonable, and in the public interest.

By implementing the purchase and sale requirements in this manner, the QFs will have a market for their power at rates comparable to the rates the authorizing Members could offer and will meet the needs of QFs for supplementary, back-up, and maintenance power in a manner consistent with the retail functions of the authorizing Members.

OMPA has not included a form of contract in the Plan since the purchases and sales rates will be calculated pursuant to the standard purchase rate, identified by tariff, or negotiated on a case-by-case basis. However, OMPA and the authorizing Members intend to require a contract be executed by each QF. Such contract will provide detailed terms and conditions including interconnection requirements, metering, rates, and those terms necessary to accommodate safety and reliability concerns.

OMPA intends to file with FERC, on behalf of OMPA and the authorizing Members, a petition seeking waiver of Sections 292.303(a) and 292.303(b) of FERC's Regulations² to permit the Plan to be placed in effect as proposed. If granted, the effect of the waiver will be to transfer the must-purchase obligation of the authorizing Members from them to OMPA. Additionally, OMPA intends to file with FERC one or more applications seeking waiver of OMPA's must-purchase obligation for QFs greater than 20MW pursuant to Section 292.309(a) of FERC's Regulations,³ and waiver of OMPA's obligation to make sales of retail power to QFs, in recognition of the statutory prohibition against such sales by OMPA.

FERC has granted waivers under Section 202.303(a) and 292.303(b) in other similar situations.⁴ OMPA and its authorizing Members are promulgating a Plan similar to those adopted by other cooperatives and joint action agencies and their members, with such additions as were deemed necessary to meet the PURPA requirements and FERC regulations. FERC has also granted waivers of must-purchase obligations with respect to QFs greater than 20MW pursuant to Section 292.309(a) in SPP⁵ and for joint action agencies in other RTOS.⁶

² 18 CFR §§ 292.303(a) and (b) (2014).

³ 18 CFR § 292.309(a).

⁴ See *Oglethorpe Power Corp.*, 32 FERC ¶ 61,103 (1985), *reh'g granted in part and denied in part*, 35 FERC ¶ 61,069 (1986), *aff'd sub nom. Greensboro Lumber Co. v. FERC*, 825 F.2d 518 (D.C. Cir. 1987); *Seminole Electric Cooperative, Inc.*, 39 FERC ¶ 61,354 (1987); *Missouri Basin Municipal Power Agency*, 69 FERC ¶ 62,250 (1994); *Com Belt Cooperative*, 68 FERC ¶ 62,249 (1994); *Southern Illinois Power Cooperative*, 66 FERC ¶ 62,010 (1994); *Northwest Iowa Power Cooperative*, 57 FERC ¶ 62,079 (1991); *Soyland Power Cooperative, Inc.*, 50 FERC ¶ 62,072 (1990); *Western Farmers Electric Cooperative*, 115 FERC ¶ 61,323 (2006); *Missouri Basin Municipal Power Agency*, Docket No. EL09-13-000, Letter Order (Feb. 6, 2009); *Arkansas Public Service Comm'n, et al.*, Docket No. EL09-37-000, Letter Order (April 30, 2009); *Missouri River Energy Servs.*, 145 FERC ¶ 62,022 (2013).

⁵ E.g., *Xcel Energy Servs., Inc.*, 122 FERC ¶ 61,048 (2008), *reh'g denied*, 124 FERC ¶ 61,073 (2008).

If the requested waivers are not granted, OMPA and the authorizing Members will take such other actions, if any, as may be required to comply with PURPA and the rules adopted thereunder by FERC.

OMPA and the authorizing Members believe that the integrated approach to PURPA implementation as described herein will not adversely affect QFs. Indeed, OMPA and the authorizing Members believe the proposed approach will facilitate the development of QFs.

II. Introduction

A. Intent of Plan

The Plan is intended to set forth the basic approach and general guidelines for allowing QFs to interconnect with OMPA and authorizing Members' electric utility systems in accordance with rules adopted by FERC implementing PURPA Section 210.

B. Utilities Subject to Plan

OMPA and all Members that adopt the rules through written authorization, as listed in Appendix I, are subject to the Plan. The Plan addresses purchases from and sales to all QFs seeking to interconnect to transmission or distribution facilities owned by OMPA or any authorizing Member.

III. Statement of Policy

A. The Joint Policy

It is the policy of OMPA and the authorizing Members: (i) to permit any QF to interconnect with the electric systems of OMPA or any authorizing Member; (ii) to permit any QF to sell energy and capacity to OMPA at rates equal to OMPA's full avoided costs or at a negotiated rate; and (iii) to permit any QF to purchase supplemental, back-up and maintenance power from an authorizing Member on either a firm or interruptible basis, at rates that are nondiscriminatory, just and reasonable, and in the public interest. In order to effectuate this

⁶ *E.g., Missouri River Energy Servs.*, 145 FERC ¶ 62,023 (2013) (approving a joint action agency's request to waive the must-purchase obligation for resources greater than 20 MW in MISO).

policy, OMPA and the authorizing Members expressly undertake the following obligations as a condition to the joint policy: (a) OMPA will be ready and willing to purchase power from any QF from which an authorizing Member would otherwise be required to purchase; (b) no QF will be subject to duplicative interconnection charges or duplicative charges for wheeling power to OMPA across the lines of an authorizing Member; (c) no QF will be subject to duplicative charges or additional fees as a result of OMPA's purchase of QF power that would otherwise be purchased by an authorizing Member; (d) no QF will be subject to duplicative interconnection charges or duplicative charges for wheeling of supplemental, back-up, or maintenance power from an authorizing Member; and (e) no QF interconnected directly with OMPA and purchasing supplemental, back-up, or maintenance power from an authorizing Member will be charged for the cost of facilities required to receive such power other than the cost of such facilities had the QF purchased such power from OMPA. OMPA and the authorizing Members' undertakings expressed above are, in each case, subject to the other express and implied terms and conditions of the Plan and the other requirements imposed by law.

Because this Plan outlines the basic approach that OMPA and the authorizing Members intend to use to fulfill their separate obligations under PURPA, OMPA and/or a given authorizing Member may modify it to the extent authorized by law if such utility determines that the modification is reasonably necessary. In addition, this Plan shall be modified as necessary or appropriate to comply with requirements imposed by FERC or any other governmental entity having jurisdiction over OMPA and/or the authorizing Members, or any other entity with authority to establish reliability requirements applicable to, or impose such requirements on, OMPA and/or the authorizing Members.

This Plan reflects an integrated approach to implementing OMPA's and the authorizing Members' obligations under PURPA and the FERC Rules. This approach recognizes the

function of OMPA as wholesale supplier to the authorizing Members and the retail service function of the authorizing Members, while assuring each QF of both a market for its power and any necessary back-up, maintenance, and supplemental service, on either a firm or interruptible basis. Pursuant to Section 292.303 (a) of FERC's Regulations,⁷ an electric utility is obligated to purchase only the energy and capacity which is "made available" from a QF. Section 292.304(d) of FERC's Regulations⁸ clarifies that each QF shall have the option to determine the amount of energy or capacity "available" for purchase. Accordingly, the Plan does not require a QF to sell all of its energy and capacity to OMPA, but rather just the amount the QF wishes to make "available" for such purchases.

No QF will be permitted to interconnect and operate in parallel with the electric system of OMPA or an authorizing Member without the prior knowledge and approval of such utility and without entering into a satisfactory written contract. A QF interconnecting with an authorizing Member and selling to OMPA will not be subject to duplicative interconnections or wheeling charges. To the extent that additional costs of wheeling (*i.e.*, beyond the authorizing Member's facilities) are necessitated by OMPA's purchases of the QF's power (rather than the authorizing Member's purchases), such costs will be borne by OMPA (rather than the QF). The Plan does not require any authorizing Member to transmit QF output in connection with sales to a purchaser other than OMPA.

Where a QF is interconnected to transmission or distribution facilities owned by OMPA or an authorizing Member and located within the retail service territory of an authorizing Member, the purchase of capacity and energy by the QF will be made pursuant to separate arrangements between the QF and the applicable authorizing Member and shall be in accordance with applicable law and the authorizing Member's applicable rates, rules, and regulations governing retail service. The terms of the arrangement between OMPA, the

⁷ 18 CFR §292.303(a).

⁸ 18 CFR §292.304(d).

authorizing Member, and the QF shall be consistent with the authorizing Member's tariff or consistent with rates to the authorizing Member's other customers with similar load or other cost-related characteristics.

Where a QF seeks to interconnect with OMPA-owned transmission facilities that are not located within the retail service territory of an authorizing Member, upon request OMPA will assist the QF in locating a supplier of supplemental, backup, maintenance, and interruptible power. OMPA makes no commitments regarding the availability of such suppliers, nor their rates and charges or terms of service.

B. Metering Requirements

OMPA and the authorizing Members require as a condition to the purchase of capacity and energy from a QF the installation of proper metering equipment to permit inclusion of the quantities in OMPA's monthly energy and capacity accounting. The amount of energy and capacity purchases from the QF by OMPA shall not normally be netted against the energy and capacity purchased by the QF from the authorizing Members, unless required by applicable rules and regulations adopted by entities having jurisdiction over OMPA and the authorizing Members.

OMPA shall adopt nondiscriminatory policies and procedures concerning metering requirements applicable to QFs as required. OMPA shall make such policies and procedures available to QFs for review.

C. Additional Interconnection Requirements

The following additional requirements shall apply to all purchases from QFs under the Plan:

- (i) The operator of the QF shall be responsible for all costs associated with electric interconnection of the QF to OMPA's or the authorizing Member's

system, including such automatic relaying and system protection which OMPA or the authorizing Member believes necessary for safety reasons, electric wiring and apparatus, protective equipment and an interconnection switch.

OMPA and the authorizing Members have the right to refuse to interconnect or to discontinue the QF's connection if wiring and apparatus do not meet appropriate safety requirements and all applicable codes, including, but not limited to, the National Electrical Code, National Electrical Safety Codes, or other local, state, or national codes.

- (ii) OMPA or the authorizing Members shall own, install and maintain the required metering equipment to integrate the input quantities into OMPA's monthly source energy and power accounting. The operator of the QF shall be responsible for all reasonable costs for purchase, installation and maintenance of such metering equipment and shall provide adequate access to its premises so that OMPA or the authorizing Members may install and maintain such metering equipment. OMPA or the authorizing Members may assess interconnection costs against a QF on a nondiscriminatory basis with respect to other customers with similar load characteristics and shall determine how such payments are to be made.
- (iii) Neither OMPA nor any authorizing Member will permit interconnection between its system and a QF unless the QF meets the applicable standards and/or regulations, rules and policies for interconnection, safety, and operating reliability, as the same may be amended from time to time. Further, in order to remain interconnected, the QF must continue to satisfy appropriate safety and reliability standards.

- (iv) OMPA and the authorizing Members reserve the right to adopt additional nondiscriminatory policies and procedures concerning interconnection requirements applicable to QFs. OMPA shall make such policies and procedures available to QFs for review.

IV. Request for Waiver

The FERC Rules require each wholesale electric utility, such as OMPA, and each retail electric utility, such as the authorizing Members, to buy energy and capacity from, and to sell energy and capacity to, QFs. As stated above, OMPA and the authorizing Members will adopt an integrated approach to implementing their obligations under PURPA, and the FERC Rules, under which (1) OMPA would purchase energy and capacity from QFs of 20 MW or less and the authorizing Members would provide retail service to QFs located within their retail service territories, (2) OMPA will seek a waiver of the obligation to sell retail power to any QF in light of the statutory prohibition against such sales by OMPA, and (3) the authorizing Members will seek a waiver of their obligations to purchase from any QFs located within their retail service territories. In addition, OMPA will request a waiver of the mandatory purchase requirement with respect to QFs of greater than 20MW located within SPP.

In order to adopt this integrated approach, OMPA and the authorizing Members will request waivers of certain of the FERC Rules implementing PURPA in order to allow OMPA and the authorizing Members to continue to operate, for wholesale supply purposes, as a single integrated entity. OMPA and the authorizing Members have concluded that, given the benefits of the proposed integrated approach to PURPA implementation, requiring the authorizing Members to purchase from QFs and OMPA to sell to QFs is not necessary to facilitate cogeneration and small power production. OMPA and the authorizing Members have determined that purchases by OMPA on behalf of the authorizing Members will

adequately facilitate cogeneration and small power production in part because each authorizing Member's avoided costs should be equal to OMPA's avoided costs.

Therefore, by centralizing purchases from QFs, QFs will be afforded a greater market for their power while at the same time receiving the same price for their power as they would have by selling to an individual authorizing Member.

This Plan is written on the assumption that the waivers previously mentioned will be granted. Because this integrated approach will not adversely affect QFs and is intended to facilitate cogeneration and small power production, OMPA and the authorizing Members intend to operate under this Plan during the pendency of the waiver requests. If FERC denies any of the requested waivers, this Plan will be revised or may be terminated. Any revision required as a result of a denial of a waiver request, or upon order of FERC as a condition to the waiver, will be made available as soon as practicable. OMPA and the authorizing Members do not contemplate that an additional notice and comment period will be conducted prior to making such changes.

Persons desiring information about this waiver request, including a copy of the waiver request filed by OMPA and the authorizing Members with FERC, may contact:

Randy Elliott
General Counsel
Oklahoma Municipal Power Authority
2701 West I-35 Frontage Road
Edmond, Oklahoma 73083-1960
Phone: 405-359-2500
FAX: 405-359-1071
E-mail: relliott@ompa.com

IV. Additional Information

Persons requiring additional information concerning the interconnection of a QF with OMPA or an authorizing Member, or the rates, terms and conditions of purchases from or sales to QFs, should contact:

David Osburn
General Manager
Oklahoma Municipal Power Authority
2701 West I-35 Frontage Road
Edmond, Oklahoma 73083-1960
Phone: 405-359-2500
FAX: 405-359-1071
E-mail: dosburn@ompa.com

APPENDIX I
AUTHORIZING MEMBERS

[TO BE ADDED AS MEMBERS AUTHORIZE THE RULES]

Attachment: OMPA Joint PURPA Implementation Plan (1182 : OMPA PURPA Resolution AMA)

RESOLUTION NO. 2016 - _____

RESOLUTION AUTHORIZING FILING OF APPLICATIONS WITH THE FEDERAL ENERGY REGULATORY COMMISSION (FERC) BY THE OKLAHOMA MUNICIPAL POWER AUTHORITY (OMPA) ON BEHALF OF THE ALTUS MUNICIPAL AUTHORITY (PUBLIC TRUST), A MEMBER CITY OF OMPA, FOR WAIVERS UNDER THE PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978 (PURPA) FOR FACILITIES GREATER THAN 20MW AND EXEMPTING PUBLIC TRUST FROM PURCHASE REQUIREMENTS REGARDING QUALIFYING FACILITIES AND ADOPTING RULES FOR COMPLIANCE WITH FERC'S PURPA REGULATIONS

WHEREAS, PURPA is the Public Utilities Regulatory Policy Act of 1978 and its basic goal is to require electric utilities, which includes OMPA and the Altus Municipal Authority, hereinafter referred to as Public Trust, to purchase the output of certain generating facilities which may locate in their service territories at a negotiated rate or at "avoided cost"; and

WHEREAS, utilities do have an option to seek a waiver of this purchase requirement if there is an organized market available for the entity to sell its output into and the Southwest Power Pool's Integrated Marketplace qualifies as such a market; and

WHEREAS, FERC has taken the position that facilities of greater than 20MW have the capability, expertise, or resources to participate in such markets; and requests for waivers will be considered but generally not be granted for smaller facilities; and

WHEREAS, for facilities requesting PURPA Qualifying Facilities (QF) status, a separate waiver request would exempt Public Trust, a Member City of OMPA, from having to purchase the output, directing them instead to OMPA which would be required to assume that responsibility; and

WHEREAS, on October 8, 2015, the Board of Directors of OMPA passed Resolution No. 2015-10-E which authorized the filing of the above referenced applications for waivers on behalf of OMPA and any Member City which wished to join therein.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE PUBLIC TRUST AS FOLLOWS:

Section 1. The above recitals are incorporated herein by reference as if fully restated.

Section 2. The filing of said waiver requests with FERC by OMPA on behalf of Public Trust is hereby approved all at the cost of OMPA.

Attachment: OMPA PURPA Resolution 2016-AMA (1182 : OMPA PURPA Resolution AMA)

Section 3. Regarding the assumption by OMPA of the responsibility to purchase the output of facilities requesting PURPA Qualifying Facilities (QF) status in lieu of those Member Cities that wish to participate in the waiver application, the Board of Trustees hereby assigns to OMPA the responsibility for such purchases to OMPA and approves the assumption of said undertaking by OMPA.

Section 4. Attached hereto and incorporated herein by reference as if fully restated are OMPA's Rules for Compliance with FERC's PURPA Regulations which are hereby approved by the Board of Trustees to which Public Trust shall abide and provide, for any purchase obligation subject to these waiver requests, that (1) OMPA and Public Trust shall not avoid or frustrate the purpose of any PURPA-mandated obligation; (2) OMPA and Public Trust shall permit any facility with PURPA QF status to interconnect with OMPA's and Member Cities' transmission and distribution systems; (3) OMPA and Public Trust shall not charge duplicative fees to any facility with PURPA QF status for interconnection or wheeling; (4) OMPA shall not subject a facility with PURPA QF status to any duplicative charges or additional fees as a result of OMPA's purchase of power from a QF that would otherwise be purchased by any one of the Member Cities; and (5) the Public Trust interconnected with the QF shall sell any capacity and energy to the QF that is required by it.

Section 5. The Chair and Secretary of Public Trust be and each of them are hereby authorized to execute or accept such further documents and to take or cause to be taken any and all such further action as may be reasonably required on the part of the Public Trust to carry out, give effect to and consummate the transactions contemplated hereby.

ADOPTED by the Board of Trustees of the Altus Municipal Authority this 1st day of March, 2016.

(SEAL)

JACK SMILEY, Chairman

Attest:

DEBBIE DAVIS, Secretary

Attachment: OMPA PURPA Resolution 2016-AMA (1182 : OMPA PURPA Resolution AMA)

Date: March 1, 2016

AGENDA ITEM COMMENTARY

ITEM TITLE: Renewal of Annual Contract with Evoqua Water Technologies for Supply of 25% Sodium Chlorite Solution and Continued Use Equipment and Quarterly Maintenance

INITIATOR: Johnny Barron

STAFF INFORMATION SOURCE: Gene Leister

BACKGROUND: The Altus Water Treatment Process injects chlorine dioxide (ClO₂) into raw water as it enters the treatment process. Chlorine dioxide is generated at the plant by mixing chlorine gas with a 25% solution of sodium chlorite. ClO₂ is an oxidizing agent that produces a disinfecting residual that helps prevent algae and bio-slime build up in the filters. ClO₂ is desired over chlorine gas because it does not contribute to the formation of disinfection byproducts such as trihalomethanes.

In August 2006, the city entered into an annual contract with US Filter (owned by Siemens) for supply of 25% sodium chlorite and use of a storage tank and ClO₂ Generator. This contract has been renewed every year since. The Vendor Name has changed for U.S. Filter to Siemens to Evoqua Water Technologies but the contract remains with the same firm.

City staff once again request council approval to renew the contract at an increased price of \$0.722 per liquid pound.

FUNDING: Funding available through budget item 53-5-21-5202.212 Plant Chemicals

EXHIBITS: Proposed Contract Extension Year 3 – Contract No. Q130611LF1
Executed Contract 2013 – Contract No. Q130611LF1

AMA ACTION: Recommended AMA Action

STAFF RECOMMENDATION: Stated AMA Action



September 30, 2015

Mr. Gene Leister
 Water Plant Supervisor
 City of Altus
 1427 N. Spurgeon
 Altus, OK 73521
 Email: gleister@cityofaltus.org

RE: Q130611LF1 CONTRACT EXTENSION YEAR 3

Dear Mr. Leister:

Evoqua Water Technologies would like to exercise the option to extend the referenced contract Q130611LF1 for year three, beginning October 10, 2015, through September 30, 2016. The price per liquid pound of Akta Klor 25 (25% Sodium Chlorite) shall be \$0.722 per liquid pound. This price includes the use of Evoqua equipment and quarterly maintenance service.

To expedite this contract extension, we have provided a signature line below. All other terms shall be per the original contract Q130611LF1.

If you have any questions or should you require additional information, please feel free to contact me at (303) 349-0520. Thank you for your consideration.

Sincerely,

Evoqua Water Technologies LLC

Michael Trefry

Michael Trefry
 Sr. Account Representative

Evoqua will process your order when we receive acceptance of this proposal, by signing below and returning to sheri.whalen@evoqua.com or via fax to: (941) 359-7985.

Accepted by: _____

This _____ day of _____ 2015

By: _____

Title: _____

Company: _____

June 11, 2013

Mr. Gene Leister
 Water Plant Supervisor
 City of Altus
 1427 N. Spurgeon
 Altus, OK 73521
 Email: gleister@cityofaltus.org

RE: CITY OF ALTUS FULL SERVICE CHLORINE DIOXIDE 2013 CONTRACT
Siemens Quote No. Q130611LF1

Thank you for your choosing Siemens Industry, Inc. for your chlorine dioxide needs. Siemens is pleased to offer the following proposal for the supply of equipment, chemicals and services to The City of Altus.

Siemens is a well established supplier of chlorine dioxide services to Water Treatment plants. Siemens' personnel are experienced in the application and handling of chlorine dioxide, many with over 15 years of experience. Siemens chlorine dioxide programs also include a level of service and commitment we believe is unmatched by any other company in the country.

1. SCOPE OF SERVICES

1.1 Equipment

Siemens Millenium III generator and 3,150 gallon storage tank that are currently in use will continue to be used during this Full Service contract.

1.2 Chemicals

Siemens will provide a supply of **AKTA Klor 25** (sodium chlorite, 25% aqueous solution) in bulk quantities. **AKTA Klor 25** is registered with EPA (No. 21164-6) and meets requirements of NSF/ANSI Standard 60 and AWWA B303-05. **AKTA Klor 25** is registered for use as a pesticide in the State of Arkansas.

1.3 Preventative Maintenance and Monitoring Services

A Siemens service engineer will visit the site to perform routine maintenance on the generator, optimize chemical dosing, conduct generator efficiency testing and provide a written report. Siemens will also provide safety training for the plant staff, if requested, and provide emergency technical or mechanical response as described below. On-site routine maintenance service will be scheduled in advance and include, but not be limited to the following:

- Provide QUARTERLY maintenance and optimization services to the chlorine dioxide generator. Routine Service shall include but not be limited to:
 1. Review plant logs and operation of Chlorine Dioxide treatment.
 2. Check the equipment for leaks or malfunction.
 3. Perform analysis of generator efficiencies.
 4. Review laboratory by-products reports with management.
 5. Perform scheduled preventative maintenance on equipment.
 6. Submit a written report outlining services and observations during the routine service visit.
- Provide maintenance parts and components for the Chlorine Dioxide generator as required.

2. TIMING

Siemens can begin the program within one to four weeks of authorization to proceed after Siemens contract and credit approval and depending on scheduling.

3. PRICE

Siemens is pleased to offer the following price for chemicals and services for a one year period beginning April 27, 2013. Initial pricing is valid through April 26, 2014. An option to extend the contract by mutual agreement for two one-year periods exists.

Chemical: \$0.6615/ lb FOB delivered in bulk quantities not less than 15,000 lbs. All deliveries require five business days notice from receipt of purchase order.

Service: included in the price of the chemical.

Terms of payment are NET 30 days from date of invoice. These prices do not include any applicable taxes.

The attached Siemens Terms and Conditions are considered part of this proposal and shall prevail.

Should a purchase order result from this proposal, please return the entire proposal, signed where indicated below, and address the order to:

Siemens Industry, Inc.
2650 Tallevast Road
Sarasota, FL 34243
Fax: 941-359-7985

The price associated with this quote will remain in effect for a period of ninety (90) days. If we are not in receipt of an order by the end of this firm price period, we reserve the right to modify the prices quoted.

Siemens is committed to providing the highest standard of chemical quality and technical services in the industry. If the above proposal does not meet your application requirements, I would appreciate the opportunity to discuss alternatives with you.

Thank you again for this opportunity to allow Siemens to assist you in supplying a chlorine dioxide chemical and service program. If you have any questions or need additional information, please contact me at 303-349-0520.

Siemens Industry, Inc.

Michael Trefry

Michael Trefry
Sr. Account Representative, Municipal Services

Attachment: 2013 Contract (1162 : Contract Renewal for Sodium Chlorite)

RE: CITY OF ALTUS FULL SERVICE CHLORINE DIOXIDE 2013 CONTRACT
Siemens Quote No. Q130611LF1

Accepted by: _____

Signature: _____

Date: _____

Title: _____

PO Number: _____

Attachment: 2013 Contract (1162 : Contract Renewal for Sodium Chlorite)

**Siemens Industry, Inc., Water Technologies Business Unit
Terms and Conditions**

1. **Applicable Terms.** These terms, together with any quotation, purchase order or acknowledgement issued or signed by Seller (the "Seller Documentation"), comprise the complete and exclusive statement of the agreement between the parties (the "Agreement") and supersede any terms contained in Customer's documents, unless separately signed by Seller. Whether the terms set forth herein are included in an offer, acceptance or acknowledgment by Seller, such offer, acceptance or acknowledgment is conditioned on Customer's assent to these terms. Seller rejects all additional or different terms in any of Customer's forms or documents. The Agreement governs the scope of work set forth in Seller's Documentation. For the purposes of this Agreement, goods shall include equipment, leased equipment and media goods (collectively, the "Goods").
2. **Payment.** Customer shall pay Seller the full fee as set forth in Seller's Documentation. Seller's price does not include, and Seller shall not be responsible for, any taxes, permits, tariffs, duties or fees (or any incremental increases to such taxes, permits, tariffs, duties or fees enacted by government agencies) unless specifically agreed in Seller's Documentation or otherwise by Seller in writing. If Seller is required to pay any such charges, Customer shall immediately reimburse Seller. All payments are due within 30 days after receipt of invoice. Customer shall be charged the lower of 1 1/2% interest per month or the maximum legal rate on all amounts not received by the due date and shall pay all of Seller's reasonable costs (including attorneys' fees) of collecting amounts due but unpaid. All orders are subject to credit approval.
3. **Scope of Services.** Seller shall provide the Goods and services specifically described in Seller's Documentation during normal business hours unless otherwise specified in Seller's Documentation. Performance by Seller that is requested or required by the Customer outside of these hours will be charged at Seller's then current schedule of rates and will be in addition to the charges outlined in Seller's Documentation. Where the Customer requests additional Goods or services which are outside of the scope of work itemized in Seller's Documentation, Seller may provide those Goods and services at standard time and material rates and conditions then in effect.
4. **Ownership of Materials.** All devices, equipment, designs (including drawings, plans and specifications), estimates, prices, notes, electronic data and other documents or information prepared or disclosed by Seller in connection with the provision of Goods and services hereunder, and all related intellectual property rights, shall remain Seller's property. Seller grants Customer a non-exclusive, non-transferable license to facilitate Customer's use thereof. Customer shall not disclose any such material to third parties without Seller's prior written consent.
5. **Changes.** Seller shall not implement any changes in the scope described in Seller's Documentation unless Customer and Seller agree in writing to the details of the change and any resulting price, schedule or other contractual modifications. This includes any changes necessitated by a change in applicable law.
6. **Warranty.** Seller warrants to Customer that the Goods shall materially conform to the description in Seller's Documentation and shall be free from defects in material and workmanship and services shall be performed in a good and workmanlike manner. The foregoing warranty shall not apply to any Goods that are specified or otherwise demanded by Customer and are not manufactured or selected by Seller, as to which (i) Seller hereby assigns to Customer, to the extent assignable, any warranties made to Seller and (ii) Seller shall have no other liability to Customer under warranty, tort or any other legal theory. Customer's service warranty is ninety days from the date of the service provided. If Customer is purchasing Goods from Seller then Seller's warranty period for Goods (except for media goods) is the earlier of one year from acceptance or eighteen months from delivery. In the event of a warranty claim, Seller shall, at its sole option and as Customer's sole and exclusive remedy, repeat the service at its own expense, repair or replace the affected parts or refund the price paid to Seller therefor. If Seller determines that any warranty claim is not, in fact, covered by this warranty, Customer shall pay Seller its then customary charges for any additionally required Goods or service. Seller's warranty is conditioned on Customer (a) operating and maintaining the Good in accordance with Seller's instructions, (b) not making any unauthorized repairs or alterations, and (c) not being in default of any payment obligation to Seller. Seller's warranty does not cover (a) media goods (such as, but not limited to, granular activated carbon media) once such media goods are installed and testing proves material conformance to Seller's Documentation; (b) damage caused by chemical action or abrasive material or misuse which has damaged the equipment serviced; and (c) improper installation (unless installed by Seller). **THE WARRANTIES AND REMEDIES SET FORTH IN THIS SECTION ARE SELLER'S SOLE AND EXCLUSIVE WARRANTIES THEREFOR. SELLER MAKES NO OTHER WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR PURPOSE.**
7. **Indemnity.** Seller shall indemnify, defend and hold Customer harmless from any claim, cause of action or liability incurred by Customer as a result of third party claims for personal injury, death or damage to tangible property to the extent caused by Seller's negligence. Seller shall have the sole authority to direct the defense of and settle any indemnified claim. Seller's indemnification is conditioned on Customer (a) promptly, within the warranty period notifying Seller of any claim, and (b) providing reasonable cooperation in the defense of any claim.
8. **Force Majeure.** Under no circumstances shall either Seller or Customer have any liability for any breach (except for payment obligations) caused by extreme weather or other act of God, strike or other labor shortage or disturbance, fire, accident, war or civil disturbance, delay of carriers, failure of normal sources of supply, change in law or other act of government or any other cause beyond such party's reasonable control.
9. **Cancellation.** Either party may terminate the scope of work specified in Seller's Documentation by providing reasonable notice sufficient to avoid costs incurred by the other party. If Customer cancels or suspends any such scope of work for any reason other than Seller's breach, Customer shall pay Seller for work performed prior to cancellation or suspension and any other direct costs incurred by Seller as a result of such cancellation or suspension.
10. **LIMITATION OF LIABILITY.** NOTWITHSTANDING ANYTHING ELSE TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE OR OTHER INDIRECT DAMAGES, AND SELLER'S TOTAL LIABILITY ARISING AT ANY TIME FROM THE SALE OR USE OF THE GOODS AND/OR SERVICES SHALL NOT EXCEED THE PRICE PAID TO SELLER THEREFOR. THESE LIMITATIONS APPLY WHETHER THE LIABILITY IS BASED ON CONTRACT, TORT, STRICT LIABILITY OR ANY OTHER THEORY.
11. **Leased Equipment.** Any leased equipment ("Leased Equipment") provided by Seller shall at all times be the property of Seller with the exception of certain miscellaneous installation materials purchased by the Customer, and no right or property interest is transferred to the Customer hereunder, except the right to use any such Leased Equipment as provided herein. Customer agrees that it shall not pledge, lend, or create a security interest in, part with possession of, or relocate the equipment. Customer shall be responsible to maintain the Leased Equipment in good and efficient working order. Upon the expiration or termination of this Agreement, Customer shall promptly make any Leased Equipment available to Seller for removal. Customer hereby agrees that it shall grant Seller access to the Leased Equipment location and shall permit Seller to take possession of and remove the Leased Equipment without resort to legal process and hereby releases Seller from any claim or right of action for trespass or damages caused by reason of such entry and removal.
12. **Miscellaneous.** If these terms are issued in connection with a government contract, they shall be deemed to include those federal acquisition regulations that are required by law to be included. No part of the Agreement may be changed or cancelled except by a written document signed by Seller and Customer. No course of dealing or performance, usage of trade or failure to enforce any term shall be used to modify the Agreement. If any of these terms is unenforceable, such term shall be limited only to the extent necessary to make it enforceable, and all other terms shall remain in full force and effect. Customer may not assign or permit any other transfer of the Agreement without Seller's prior written consent. The Agreement shall be governed by the laws of the State of Delaware without regard to its conflict of laws provisions.

Attachment: 2013 Contract (1162 : Contract Renewal for Sodium Chloride)